

## Message Text

CONFIDENTIAL

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ACTION AF-04

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 L-01 EB-03 OMB-01 OES-02 INRE-00 SSO-00 /038 W

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O 291045Z JUL 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC IMMEDIATE 3842

C O N F I D E N T I A L KINSHASA 7040

LIMDIS

E.O. 11652: GDS

TAGS: ECON, EAID, EFIN, CG, ENRG

SUBJ: POL SWAP: THE STATE PLAY

REF: STATE 171993

1. GULF REP KING HAS CONFIRMED THAT HIS COMPANY CANNOT, AT THIS TIME, SEE ITS WAY CLEAR TO RESPOND TO A GOZ REQUEST FOR AN ADVANCE OF CRUDE TO BE COVERED BY ZAIRIAN SHARE OF GULF OFFSHORE VENTURE AFTER IT COMES ON STREAM LATER THIS YEAR. AT THE SAME TIME, IT IS QUITE CLEAR THAT GULF IS WORRIED ABOUT THE LONGEVITY OF ITS CURRENT, VERY ADVANTAGEOUS CONCESSION AND IS LOOKING FOR WAYS TO SHOW THE GOZ THAT IT IS IN A HELPFUL POSITION.

2. MOBIL REP WILLIAMS ARRIVED EVENING JULY 25 AND I HAVE MET WITH HIM TWICE. MOBIL SEEMS PREPARED TO PLAY, BUT ONLY IF IT CAN GET A BANK GUARANTEE AND ONLY IF GOZ AGREES THAT ULTIMATE PAY-BACK WILL INCLUDE SOMETHING FOR COMPENSATION.

3. IN THE MEANTIME, LOCAL FNCB REP HAS RECEIVED A LETTER FROM PETRO-ZAIRE REQUESTING CITIBANK TO ARRANGE A \$200 MILLION CREDIT TO CARRY GOZ THROUGH ITS POL NEEDS OVER NEXT TWELVE MONTHS. LETTER STATES THAT COLLATERAL WILL BE GOZ SHARE OF GULF OFFSHORE VENTURE AND THAT GOZ WILL GIVE ITS OWN  
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GUARANTEE.

4. TEXACO REP SOETERMANS CALLED ME JULY 28 AND ASKED ME TO LUNCH TODAY. I SUSPECT HE HAS HEARD FROM HIS HEADQUARTERS FOLLOWING CONVERSATION REPORTED REFTEL. I WILL REPORT HIS ATTITUDE LATER.

5. I TOLD BOTH GULF AND MOBIL THAT I WOULD BE SEEING BISENGIMANA EVENING JULY 28 AND ASKED WHAT, IF ANYTHING, I COULD TELL HIM. IT WAS AGREED, AND I TOLD BISENGIMANA, THAT, FOLLOWING UP ON PRESIDENT MOBUTU'S STRONG INTEREST, AS EXPRESSED TO ALL OF US, A SENIOR MOBIL REP HAD ARRIVED AND WAS GOING TO TALK TO PETRO-ZAIRE CHIEF MPEYE. BISENGIMANA IMMEDIATELY PICKED UP THE PHONE AND INSTRUCTED HIS SECRETARY TO FIND MPEYE AND HAVE HIM CALL BACK.

6. I THEN, WITH THE GULF REP'S OK, TOLD BISENGIMANA THAT, WHILE GULF DID NOT SEE HOW IT COULD PARTICIPATE IN THE SWAP, IT DID WANT TO BE HELPFUL AND THAT IN THIS CONNECTION, HAD DECIDED TO DRILL AN ADDITIONAL WELL IN THE HOPE THAT PIE UPON WHICH ZAIRE COUNTED SO HEAVILY COULD BE ENLARGED. (KING WAS VERY SPECIFIC ON THIS POINT BUT I DO NOT BELIEVE DEPT SHOULD RELAY MY DIALOGUE WITH BISENGIMANA TO GULF HQ UNTIL I HAVE HAD A CHANCE TO CHECK BACK WITH KING AND ASSURE MYSELF THAT HE HIMSELF HAS INFORMED HIS SUPERIORS THAT THE MESSAGE WAS PASSED.)

7. I AM CONVINCED THAT AMERICAN COMPANIES SHOULD MOVE TO COVER ZAIRE'S POL SHORTFALL, IN RETURN FOR REPAYMENT, COMPENSATION AND/OR ASSURANCE THAT GULF'S CONCESSION WILL STICK IN THE FACE OF INEVITABLE PRESSURES ON THE GOZ TO GO FOR AN OPEC (OR WORSE) FORMULA IN THE FUTURE. I AM SO CONVINCED BECAUSE I BELIEVE WE HAVE THE ELEMENTS OF A SOLUTION TO THE OVERALL FINANCIAL CRISIS IN HAND. WHEN THE IMF COMES INTO PLAY, THEIR RESOURCES PLUS THOSE OF THE INTERNATIONAL FINANCIAL COMMUNITY AND THE BILATERAL FRIENDS OF ZAIRE (THE FRENCH, I BELIEVE, WILL COME BACK INTO THE CLUB) WILL BE ENOUGH TO FILL THE BALANCE OF PAYMENTS GAP. IN THE MEANTIME, RISKS WILL HAVE TO BE RUN.

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8. I WILL NOT, COURSE, INSIST ON MY VIEW WITH EITHER THE COMPANIES OR THE GOZ, BUT THE DEPT MIGHT USEFULLY PURSUE THIS LINE WITH THE VARIOUS COMPANY HEADQUARTERS, SHARING WITH THEM, TO THE DEGREE FEASIBLE, OUR ASSESSMENT OF THE LIKELIHOOD OF SUCCESS AS WE PURSUE THE IMF SCENARIO. WE MIGHT ALSO POINT OUT THAT WHILE THE GOZ'S SHARE OF THE GULF OFF-SHORE VENTURE ALONE WILL NOT COVER THEIR POL NEEDS--THERE WILL BE A NET IMPROVEMENT IN ZAIRE'S FOREIGN

EXCHANGE POSITION OF OVER \$100 MILLION--AND THAT THE  
INEVITABLE SEARCH FOR COLLATERAL ON THE PART OF THE  
COMPANIES SHOULD TAKE INTO ACCOUNT THE SUBSTANTIAL  
RESOURCES THAT WILL BECOME AVAILABLE TO ZAIRE AS ITS  
FRIENDS GATHER ROUND.

WALKER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 JUL 1975  
**Decaption Date:** 28 MAY 2004  
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